

A G E N D A

UTAH BOARD OF WATER RESOURCES

Crystal Inn
480 Westland Drive
Brigham City, Utah

September 30, 2005

8:30 a.m.

- I. CALL TO ORDER
- II. APPROVAL OF MINUTES - August 11 & 12, 2005
- III. CHAIR'S REPORT
- IV. FEASIBILITY REPORTS County
 - E173 Cub River Irr. Co. Cache
- V. COMMITTAL OF FUNDS
 - E179 Deseret Irr. Co. Millard
- VI. DAM SAFETY CONSTRUCTION FUNDING
 - C026 San Juan WCD San Juan
- VII. SPECIAL ITEMS
 - E088 Gunnison City (Amendment) Sanpete
 - E096 Logan, Hyde Park, Smithfield Cache
 - Canal Co. (Withdrawal)
 - E147 Santaquin City (Withdrawal) Utah
 - L546 West Point City (Withdrawal) Davis
 - L548 Millville City (Withdrawal) Cache
- VIII. COMMITTAL OF CLOUDSEEDING FUNDS
- IX. ADOPTION OF RESOLUTION
- X. DIRECTOR'S REPORT
- XI. NEXT BOARD MEETING - October 28, 2005 - Salt Lake City
- XII. ADJOURNMENT

BRIEFING MEETING AGENDA

UTAH BOARD OF WATER RESOURCES

Crystal Inn
480 Westland Drive
Brigham City, Utah

September 29, 2005

4:30 p.m.

- | | | |
|------|------------------------|----------------|
| I. | WELCOME/CHAIR'S REPORT | Chairman Flint |
| II. | DISCUSSION OF PROJECTS | Board/Staff |
| III. | OTHER ITEMS | |

BOARD OF WATER RESOURCES

Revolving Construction Fund

Funding Status

September 30, 2005

Funds Available for Projects This FY \$ 7,300,000

Projects Contracted This FY

1 Piute Res & Irr Co (Piute Dam; Amend)	C022	Grant	**	142,500
2 Piute Res & Irr Co (Piute Dam; Amend)	C022	Loan	**	7,500
3 DMAD Co	C031	Grant	**	2,166,000

Total Funds Contracted	\$ 2,316,000
Funds Balance	\$ 4,984,000

Projects with Funds Committed

1 Kanab Irr Co	D968		\$ 377,000
2 Kays Creek Irr Co (Adams Dam; Amend)	C001	Grant	** 4,000
3 Bryner-Ploutz Ditch Co	E164		116,000
* 4 Deseret Irr Co	E179		88,000
* 5 San Juan WCD (Amend)	C026	Grant	** 780,000
Commitments for Dam Safety Studies			** 136,000

Total Funds Committed	\$ 1,501,000
Funds Balance	\$ 3,483,000

Projects Authorized

1 Deseret Irr Co	E056	\$ 312,000
2 Hi-Country Estates Homeowners Assn	E127	406,000
3 M&M Irr Co	E136	531,000
4 Lincoln Culinary Water Corp	E165	276,000
* 5 Cub River Irr Co	E173	290,000

Total Funds Authorized	\$ 1,815,000
Remaining Funds Available	\$ 1,668,000

*To be presented at Board Meeting

** Dam Safety Projects

BOARD OF WATER RESOURCES

Cities Water Loan Fund

Funding Status

September 30, 2005

Funds Available for Projects This FY	\$ 4,931,000
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Bonds Closed This FY

Total Bonds Closed	\$ -
Funds Balance	\$ 4,931,000

Projects with Funds Committed

1 Centerville City	E155	156,000
2 Kamas City	L550	\$ 1,879,000

Total Funds Committed	\$ 2,035,000
Funds Balance	\$ 2,896,000

Projects Authorized

1 Town of Mantua	L553	508,000
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Total Funds Authorized	\$ 508,000
Remaining Funds Available	\$ 2,388,000

*To be presented at Board Meeting

BOARD OF WATER RESOURCES

Conservation & Development Fund

Funding Status

September 30, 2005

Funds Available for Projects This FY \$ 18,902,000

Projects Contracted/Bonds Closed This FY

1 Leeds Water Co	E132	1,006,000
2 Center Creek Culinary Water Co	E020	877,000

Total Funds Contracted/Closed	<u>\$ 1,883,000</u>
Funds Balance	\$ 17,019,000

Projects with Funds Committed

1 Lake Creek Irr Co (Ph 1)	E102	\$ 22,500
2 St George & Washington Canal Co (Ph 1&2)	E129	6,600,000
3 Centerfield Town	L547	255,000
* 4 Gunnison City (Amend)	E088	490,000

Total Funds Committed	<u>\$ 7,368,000</u>
Funds Balance	\$ 9,651,000

Projects Authorized

1 Strawberry High Line Canal Co	D976	\$ 3,187,000
2 Uintah WCD (Island Ditch)	E036	342,000
3 Richland Nonprofit Water Co	E087	335,000
4 Lake Creek Irr Co (Ph 2)	E102	300,000
5 New Escalante Irr Co	E077	300,000
6 St George & Washington Canal Co (Ph 3&4)	E129	4,400,000
7 Ashley Valley Res Co	E145	1,489,000
8 Elwood Town	L549	<u>1,530,000</u>

Total Funds Authorized	<u>\$ 11,883,000</u>
Remaining Funds Available	\$ (2,232,000)

*To be presented at Board Meeting

BOARD OF WATER RESOURCES

September 30, 2005

ADDITIONAL ACTIVE PROJECTS		Fund	Est. Board Cost	Total Cost
Projects Under Investigation				
1 Keith Johnson	D996	RCF	\$ 37,500	\$ 50,000
2 Mayfield Irr Co	E067	RCF	187,500	250,000
3 Rock Dam Irr Co	E083	RCF	37,500	50,000
4 Downs Ditch Water Co	E139	RCF	281,250	375,000
5 Co-Op Farm Irr Co	E140	RCF	374,250	499,000
6 Anderson, Felt, Winters Ditch Co	E141	RCF	148,500	198,000
7 Felt, Peterson, Slater Ditch Co	E142	RCF	148,500	198,000
8 Huntsville South Bench Canal Co	E143	RCF	258,750	345,000
9 Emmertsen Irr Co	E144	RCF	86,250	115,000
10 Huntsville Irr Co	E146	RCF	627,000	836,000
11 Vernon Irr Co	E158	RCF	37,500	50,000
12 West Cache Irr Co	E160	RCF	150,000	200,000
13 Circleville Irr Co	E166	RCF	131,000	611,000
14 Loss Creek Irr Co	E167	RCF	111,000	524,000
15 Kingston Irr Water Co	E169	RCF	63,750	85,000
16 Greenwich Water Works Co	E171	RCF	112,500	250,000
17 Bullion Creek Irr Co	E172	RCF	75,000	100,000
18 Fountain Green Irr Co	E174	RCF	30,000	40,000
19 East Panguitch Irr Co	E175	RCF	375,000	500,000
* 20 Dry Gulch Irr Co	E176	RCF	206,250	275,000
* 21 Twin Creek Irr Co	E180	RCF	300,000	400,000
* 22 North Creek Irr Co	E181	RCF	232,500	310,000
* 23 Uteland Ditch Co	E182	RCF	684,000	912,000
* 24 Parowan South Field, Inc	E183	RCF	255,000	340,000
* 25 Otter Creek Res Co	E184	RCF	180,000	240,000
26 Parowan City	E121	CWL	158,250	211,000
27 Town of Vernon	L551	CWL	189,000	252,000
28 Marysville Town	L552	CWL	131,250	250,000
29 Lindon City	L554	CWL	202,500	270,000
* 30 Corinne City	L555	CWL	270,000	360,000
31 Woodruff Irrigating Co	D680	C&D	600,000	800,000
32 Kane County WCD	D828	C&D	1,500,000	2,000,000
33 Uintah WCD (Leota Bench)	D944	C&D	750,000	1,000,000
34 Gunnison Butte Mutual Irr Co	E004	C&D	10,500,000	14,000,000
35 Hyrum Blacksmith Fork Irr Co	E047	C&D	1,230,000	1,640,000
36 East Juab County WCD	E071	C&D	375,000	500,000
37 Ferron Canal & Res Co	E082	C&D	2,625,000	3,500,000
38 Whiterocks Irr Co	E084	C&D	1,500,000	2,000,000
39 Logan, Hyde Park, Smithfield Canal Co	E096	C&D	1,301,250	1,735,000
40 Newton Water Users Association	E100	C&D	1,001,250	1,335,000
41 Town of Goshen	E109	C&D	240,000	320,000
42 Weber-Box Elder Conservation Dist	E113	C&D	9,750,000	13,000,000
43 Cottonwood Creek Consolidated Irr Co	E125	C&D	3,750,000	5,000,000
44 Alton Farmers Assoc	E128	C&D	1,650,000	2,200,000
45 Huntington-Cleveland Irr Co	E130	C&D	21,299,000	66,090,000
46 Fremont Irr Co	E131	C&D	1,500,000	2,000,000
47 Grantsville Irr Co	E150	C&D	321,000	428,000
48 Dixie Deer SSD	E170	C&D	187,500	250,000
* 49 Provo Water Users Association	E177	C&D	86,250,000	115,000,000
Subtotal			\$ 152,411,500	\$ 241,894,000

*To be presented at Board Meeting

BOARD OF WATER RESOURCES

September 30, 2005

Authorized or Committed Projects

1 Davis & Weber Counties Cnl Co (Ph 4)	D674	C&D	\$ 10,379,000	\$ 12,211,000
2 Weber Basin WCD (Secondary Irr, Ph 3-5)	E029	C&D	27,721,000	32,613,000
3 Davis & Weber Counties Cnl Co(Cnl Rehab)	E035	C&D	15,497,000	18,232,000
4 Hooper Irr Co (Press Irr, Ph 2-4)	E060	C&D	11,772,000	13,850,000
5 City of Cedar Hills	E099	C&D	<u>31,200</u>	<u>31,200</u>
Subtotal			<u>\$ 65,400,200</u>	<u>\$ 76,937,200</u>
TOTAL			\$ 217,811,700	\$ 318,831,200

INACTIVE PROJECTS

Long Term Large Water Conservation Projects

1 Sanpete WCD (Narrows Dam)	D377
2 Wayne County WCD	D494
3 Cedar City Valley Water Users	D584
4 Bear River WCD	D738
5 Upper Sevier River WCD	E098
6 Central Utah WCD (Prepay FY98,99,00)	D960

BOARD OF WATER RESOURCES

Feasibility Report

Revolving Construction Fund

Appl. No.: **E-173**

Received: 4/29/05

Approved: 6/10/05

To be Presented at the September 30, 2005 Board Meeting

SPONSOR: ***CUB RIVER IRRIGATION COMPANY***

President: Gale Moser

LOCATION: The proposed project is located about a mile south of Whitney, Idaho, about four miles north of the Cache County-Idaho border.

EXISTING CONDITIONS & PROBLEMS: The sponsor diverts water from the Cub River about four miles east of Whitney and transmits it westward in the six mile-long Cub Canal and the Middle Ditch, which combine before splitting into Upper and Lower Canals. Water in those two canals flows in a southerly direction, with the Upper Canal providing water for southern portions of Idaho before flowing into the East Canal which carries water into Cache Valley. The sponsor supplements its Cub River supply with water pumped from the Bear River about a mile north of the Utah-Idaho border.

About 27,000 acres of farmland are irrigated (75% sprinkle and 25% flood) between the Cub and Bear Rivers, with 75% of the land in Utah. Up to 280 cfs can be delivered through the sponsor's 26 miles of canals.

The sponsor would like to improve its irrigation system by installing a pressurized pipeline to serve the area presently served by the Upper Canal; during high flows that canal would continue to deliver excess water to the East Canal.

PROPOSED PROJECT: The sponsor is requesting financial assistance from the board to install about nine miles of gravity-pressurized PVC pipeline. Engineering services are being provided by Franson Noble Engineering in American Fork.

The project fits in Prioritization Category 3
(agricultural project that will provide significant
economic benefit to area.)

COST ESTIMATE: The following cost estimate is based on the
engineer's preliminary design and has been reviewed
by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
1.	PVC Pipe, 100 psi			
	a. 21-inch	21,700 LF	\$ 22.00	\$477,400
	b. 15-inch	15,800 LF	11.50	181,700
	c. 12-inch	5,300 LF	8.00	42,400
2.	21-inch PVC Pipe,			
	80 psi	4,000 LF	18.70	74,800
3.	Valves & Fittings	LS	80,000	80,000
4.	Meters	10 EA	2,200	22,000
5.	Highway Crossing	150 LF	120	18,000
6.	Railroad Crossing	LS	30,000	30,000
7.	Inlet Structure	LS	9,500	9,500
	Improvements			
8.	Outlet Structure	LS	9,500	9,500
9.	East Canal Pump	LS	25,000	25,000
	Construction Cost			\$970,300
	Contingencies			96,700
	Legal and Administrative			24,000
	Design and Construction Engineering			145,000
	TOTAL			\$1,236,000

COST SHARING: Staff recommends the following cost sharing:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$ 290,000	23.5%
Idaho Water Resource Board	890,000*	72.0
Sponsor	56,000	4.5
TOTAL	\$1,236,000	100%

*No more than \$500,000 available per year, with
terms of 5% interest and 20-year repayment period.

The 23.5% board share equals 90% (staff-selected
"high" cost sharing percentage) times 26% (annual net
benefit percentage accruing to Utah).

The board has assisted the sponsor with a number of past projects, traditionally providing 75-80% ("average" cost sharing percentage) of 75% (percentage of sponsor's acreage in Utah) of the projects' costs. The sponsor requests the board continue this tradition by providing cost sharing on the proposed project in an amount equal to 80% x 75% x \$1,236,000, or \$742,000.

REPAYMENT: If the board votes to provide \$290,000 to the sponsor as recommended by staff, it is suggested that amount be returned with annual payments of \$18,000 at 0% interest over approximately 17 years.

If the board votes to provide \$742,000 as requested by the sponsor, it is suggested that amount be returned with annual payments of \$46,000 at 0% interest over approximately 17 years.

ECONOMIC FEASIBILITY: The proposed project is economically feasible if benefits from reduced pumping, operation, and maintenance costs, plus increased net farm income, exceed costs of the project. When all costs and benefits are discounted to present value at 5.67% over an assumed 50-year project life, the benefit/cost ratio is 1.09.

FINANCIAL FEASIBILITY: Benefits of the project will include an annual reduction in canal water losses of approximately 840 acre-feet. Although in most years this saved water will remain in the Bear River, during extended droughts it will be used to reduce irrigation water shortages in the project area. Operation and maintenance costs will also be reduced, and on-farm pumping costs will be eliminated with the gravity-pressurized pipeline:

<u>Description</u>	<u>Total</u>	<u>Utah Portion</u>
Annual Value of Water Savings	\$ 7,200	\$ 5,400
Annual O&M Cost Reduction	20,000	15,000
Annual On-Farm Pumping Savings	50,000	0
ANNUAL NET BENEFIT	\$77,200	\$20,400

With the proposed board share of the project being 23.5%, it is suggested the sponsor's repayment ability be calculated as approximately 23.5% of \$77,200, or \$18,000.

If the board votes to provide \$742,000 (60%) for the project as requested by the sponsor, it is suggested the sponsor's repayment ability be calculated as approximately 60% of \$77,200, or \$46,000.

PROJECT
SPONSOR:

The Cub River Irrigation Company is comprised of 312 stockholders holding 3,000 shares and irrigating about 27,000 acres. A share of stock represents a flow of 4 cfs for two hours each week between May 1 and October 1. The company is registered in good standing with the state Department of Commerce.

The company has received financial assistance from the board on six previous occasions. In 1976 the board provided \$74,000 to the company to line 3½ miles of its West Pump Canal and install diversion structures. In 1977 the board provided \$30,000 to help install a pumped sprinkle irrigation system on 450 acres. In 1985 the board provided \$116,000 to replace a flume, several diversion structures within the distribution system, and pump transformers. In 1991 the board provided \$22,000 to replace the crossing of a creek under the Cub Canal. In 1995 the board provided \$54,000 to help repair a portion of the Cub Canal that washed out. Then in 1998 the board provided \$64,000 to help install about 4,000 feet of 18 and 21-inch transmission pipeline and associated canal structures between the Upper and Lower Canals. All projects have been paid off except the most recent, which will be paid off in 2007.

WATER RIGHTS
& SUPPLY:

The board presently holds title to the irrigation company's water rights, which are on the Cub and Bear Rivers with the filings listed in Idaho. The rights are:

<u>Source</u>	<u>Water Right No.</u>	<u>Flow (cfs)</u>
Cub River	13-26B	38.36
Bergquist Springs	13-26C	9.44
	13-26D	
	13-34A	
	13-34B	
Worm Creek	13-222	15
Bear River	109883	125

The sponsor also has 20,000 acre-feet in Bear Lake. It relies on this storage as flows under its other rights decrease.

EASEMENTS: The pipeline will be placed in existing roads and rights-of-way.

ENVIRONMENTAL: The environmental impact of the project is expected to be minimal.

WATER
CONSERVATION: The sponsor has completed a Water Management and Conservation Plan. The project will develop approximately 840 acre-feet annually.

SPONSOR'S
RESPONSIBILITIES: If the board authorizes the proposed project, the sponsor must do the following before construction can begin:

1. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.
2. Obtain all approvals for the project required by Idaho agencies and according to Idaho law.
3. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:
 - a. Assign properties and easements required for the project to the Board of Water Resources.
 - b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the Board.
4. Have an attorney give the Board of Water Resources a written legal opinion that:
 - a. The company is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.
 - b. The company has legally passed the above resolution in accordance with the requirements of state law and the company's Articles of Incorporation and Bylaws.

c. The company has obtained all permits required for the project.

d. The company has obtained all approvals for the project required by Idaho agencies and according to Idaho law.

5. Have an attorney give the Board of Water Resources a written legal opinion that the company owns all easements and rights-of-way for the project, as well as the land on which the project is located, and that title to these easements, rights-of-way, and the project itself can be legally transferred to the Board.

In lieu of an attorney's opinion, the company may obtain a title insurance policy in the name of the Board of Water Resources for the easements, rights-of-way, and land necessary for the project.

6. Obtain approval of final plans and specifications from the Division of Water Resources.

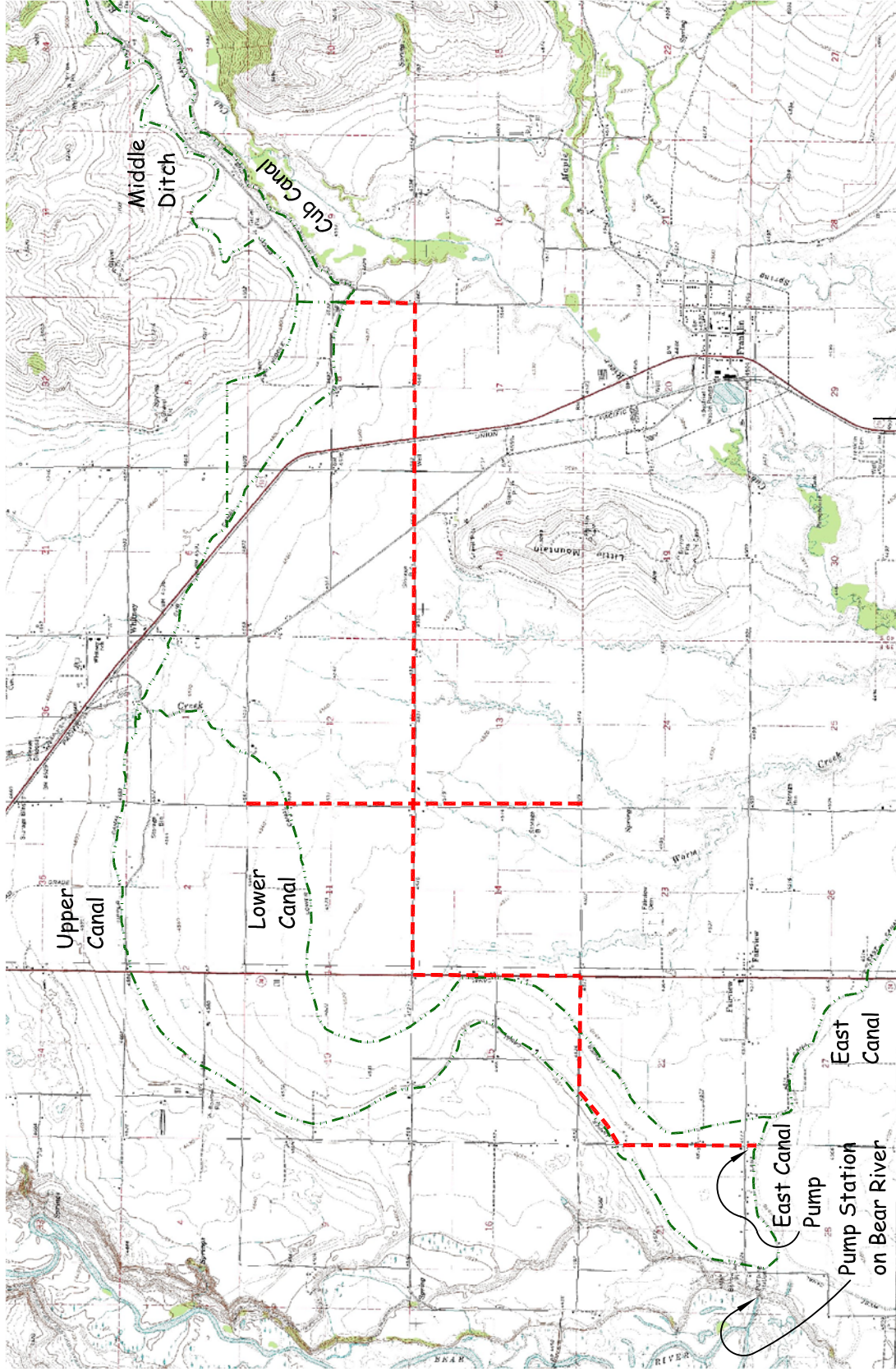
PROJECT
CONTACT
PEOPLE:

President: Gale C. Moser
1864 Hulls Crossing
Preston, ID 83263
Phone: (208) 852-0560

Secretary Max Gilbert
82 West 4800 South
Preston, ID 83263
Phone: (208) 852-2722

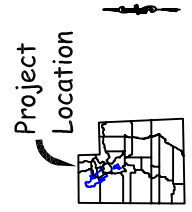
Manager: Regan Wheeler
2530 West 2000 South
Lewiston, UT 84320
Phone: (435) 258-2522

Engineer: Franson Noble Engineering
1276 South 820 East, Ste 100
American Fork, UT 84003
Phone: (801) 756-0309



--- Proposed Pipeline
--- Existing System

Scale in Feet
0 5000



CUB RIVER IRRIGATION COMPANY
Proposed Pipeline Project
Franklin Co. Idaho

BOARD OF WATER RESOURCES

Committal of Funds

Revolving Construction Fund

Appl. No.: **E-179**
Received: 6/8/01
Approved: 8/10/01
Authorized: 8/10/01

To be Presented at the September 30, 2005 Board Meeting

SPONSOR: **DESERET IRRIGATION COMPANY**

President: Jerry Skeem
5275 South 2950 West
Oasis, UT 84650
Phone: (435) 864-2696

LOCATION: The project is located south of the communities of Hinckley and Deseret, which are about five miles southwest of Delta in Millard County.

PROJECT SUMMARY: Four years ago the board authorized the sponsor's \$900,000, multi-phase project to pipe approximately 12,000 feet of the South Hinckley Canal, and concrete-line approximately 9,500 feet of the Old Deseret Canal. To date, nearly two miles of canal have been piped and 3,200 feet lined. The sponsor is now ready to proceed with Phase IV, concrete-lining the next 4,000 feet of the Old Deseret Canal.

COST ESTIMATE & SHARING: The overall project was authorized based on 80% cost sharing from the board and 20% from the irrigation company. The proposed cost estimate and sharing for Phase IV are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$ 88,000	80%
Sponsor	<u>22,000</u>	<u>20</u>
TOTAL	\$110,000	100%

PURCHASE
AGREEMENT:

Board financial assistance for the entire project is to be returned in 12 years at 0% interest with payments starting at \$5,000 and increasing to \$87,000. If the board commits funds to this phase of the project, it is proposed the purchase agreement terms remain as authorized: Phase IV will be purchased from the board in two years at 0% interest with annual payments of \$48,000 in 2009 and approximately \$40,000 in 2010. Payments are delayed until previous phases have been paid off.

BOARD OF WATER RESOURCES

Dam Safety Report

Construction Funding

Contract Amendment - Additional Funds

Appl. No.: **C-026**

Committed: 12/20/02

To be Presented at the September 30, 2005 Board Meeting

SPONSOR: ***SAN JUAN WATER CONSERVANCY DISTRICT***

Chairman: Paul MacDonald
P.O. Box 246
Blanding, UT 84511
Phone: (435) 678-2596

LOCATION: Recapture Dam is located about three miles north of Blanding in San Juan County.

SUMMARY: The sponsor completed the first portion of the dam safety upgrade of Recapture Dam by constructing a stability berm at its downstream toe, and is currently moving toward the last portion of the upgrade: replacement of the emergency spillway, which was removed as part of the berm construction.

When the board committed funds for both portions of the project almost three years ago, it was assumed the new emergency spillway channel would carry a certain flood flow and a future, second spillway (not part of the committed project) would be constructed over the crest of the dam to carry additional flows. It has since been decided to increase the capacity of the new emergency spillway channel to carry the full flood flows, making the spillway over the crest unnecessary; this modification has increased the total cost of the Recapture Dam upgrade.

COSTS & COST SHARING: Although the estimated cost increase is \$430,000, the sponsor requests \$780,000 additional grant funds to

complete the upgrade. The committed and proposed cost sharing are:

<u>Agency</u>	<u>Committed Cost Sharing</u>	<u>% of Total</u>	<u>Proposed Cost Sharing</u>	<u>% of Total</u>
BWRe - Grant	\$2,020,000	44%	\$2,800,000	56%
UDOT - Credit	<u>2,550,000</u>	<u>56</u>	<u>2,200,000</u>	<u>44</u>
TOTAL	\$4,570,000	100%	\$5,000,000	100%

BOARD OF WATER RESOURCES

Special Item

Bond Amendment - Additional Funds

Conservation and Development Fund

Appl. No.: **E-088**

Received: 8/19/02

Approved: 9/20/02

Authorized: 11/8/02

Committed: 1/31/03

To be Presented at the September 30, 2005 Board Meeting

SPONSOR: **GUNNISON CITY**

Mayor: Scott R. Hermansen
38 West Center
P.O. Box 790
Gunnison, UT 84634
Phone: (435) 528-7969

SUMMARY: The board committed \$477,000 (37%) to the city to help make improvements to its pressurized secondary irrigation system. After the original project was completed, the city used "leftover" board funds to replace about 10,000 feet of the Peacock Springs transmission pipeline, which serves water to both the city's culinary water and secondary irrigation systems.

The remaining 20,000 feet of Peacock Springs pipeline that was not replaced is a maintenance problem for the city, as blowouts occur frequently at new locations. This year the city budgeted \$60,000 for maintenance of the pipeline and spent it all.

SPONSOR'S REQUEST: The city requests additional funds from the board to help it replace the remaining 20,000 feet of Peacock Springs transmission pipeline.

COST ESTIMATE: The following cost estimate is based on the engineer's preliminary design and has been reviewed by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
1.	12-inch PVC Pipe	20,000 LF	\$20.00	\$400,000
2.	Rock Removal	50 CY	80.00	4,000
3.	Highway Crossing	LS	72,000	72,000
Construction Cost				\$476,000
Contingencies				48,000
Legal and Administrative				16,000
Design and Construction Engineering				71,000
Permits				1,000
TOTAL				\$612,000

COST SHARING: The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$490,000	80%
Sponsor	122,000	20
TOTAL	\$612,000	100%

REPAYMENT: The city's original bonded indebtedness of \$477,000 is to be repaid in 21 years at 1% interest with annual payments ranging from approximately \$16,000 to \$64,600. The city has paid \$14,000 in principal on the existing bond, leaving a balance of \$463,000. If the board commits additional funds to the project, staff recommends the bond be amended to provide an additional \$490,000 and to state the city will repay the \$953,000 bonded indebtedness in 25 years at 1% interest, beginning in 2006, with payments ranging from approximately \$22,800 to \$56,000 (includes reserves).

The sponsor requests repayment terms on the \$953,000 of 25 years and ½% interest, which will require payments ranging from approximately \$20,500 to \$56,000.

FINANCIAL
FEASIBILITY: Based on the board's water service affordability guidelines, Gunnison residents could pay up to \$30.65 monthly for all water. The cost/connection/month with the current and proposed bonds is:

• Current (\$463,000, 19 yrs., 1%)	\$39.16
• Proposed by Staff (\$953,000, 25 yrs., 1%)	\$40.02
• Proposed by Sponsor (\$953,000, 25 yrs., 1/2%)	\$39.73

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Conservation and Development Fund

Appl. No.: ***E-096***

Received: 10/28/02

Approved: 11/8/02

To be Presented at the September 30, 2005 Board Meeting

SPONSOR: ***LOGAN, HYDE PARK, SMITHFIELD CANAL COMPANY***

President: Fred Krusi
338 East 400 North
Hyde Park, UT 84318
Phone: (435) 563-5590

LOCATION: The proposed project extends from the mouth of Logan Canyon, in Cache County, about two miles easterly into the canyon.

SUMMARY: The sponsor requested assistance from the board to replace about two miles of irrigation canal with pipeline. Because stockholders are no longer interested in constructing the project because of cost and unavailability of grant funds, staff recommends the sponsor's application be withdrawn from further consideration by the board.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Conservation and Development Fund

Appl. No.: **E-147**
Received: 5/28/04
Approved: 7/9/04
Authorized: 11/5/04

To be Presented at the September 30, 2005 Board Meeting

SPONSOR: **SANTAQUIN CITY**

Mayor: Dennis Brandon
45 West 100 South
Santaquin, UT 84655
Phone: (801) 754-3211

LOCATION: The proposed project is located in and around Santaquin, about 20 miles south of Provo in Utah County.

SUMMARY: The board authorized \$1,000,000 (9.6%) to the sponsor as part of an interest rate buydown for construction of a pressurized secondary irrigation system within the city limits.

Because the Community Impact Board subsequently voted to fund the project, staff recommends the sponsor's application be deauthorized and withdrawn from further consideration.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Conservation and Development Fund

Appl. No.: **L-546**

Received: 1/10/03

Approved: 1/31/03

Authorized: 6/12/03

To be Presented at the September 30, 2005 Board Meeting

SPONSOR: **WEST POINT CITY**

Mayor: John Petroff
3200 West 300 North
West Point, UT 84015
Phone: (801) 776-0970

LOCATION: The project is located in West Point City, about two miles west of Clearfield in Davis County.

SUMMARY: The board authorized \$410,000 (25%) to the sponsor to help it improve its culinary water system by constructing a two million gallon concrete storage tank with booster pumping station, and installing a pipeline to connect it to the existing system.

The sponsor has completed the project with its own resources and does not need board funding. Staff therefore recommends the sponsor's application be deauthorized and withdrawn from further consideration.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Cities Water Loan Fund

Appl. No.: **L-548**

Received: 9/22/04

Approved: 11/5/04

To be Presented at the September 30, 2005 Board Meeting

SPONSOR: **MILLVILLE CITY**

Mayor: Mike Johnson
435 North 200 East
Millville, UT 84326
Phone: (435) 752-5760

LOCATION: The project is located in Millville City, about four miles south of Logan in Cache County.

SUMMARY: The city requested assistance from the board to improve its culinary water system by constructing a storage tank and installing distribution pipelines, pressure regulating stations, and a pumping station.

After staff evaluated financial feasibility of the project using current board guidelines and concluded Millville could repay a board loan at 5% interest, the city pursued an open market loan at 4.52% interest. Staff therefore recommends the sponsor's application be withdrawn from further consideration by the board.

BOARD OF WATER RESOURCES

Application Summary

Appl. No. ***E-176***

Received: 8/4/05

SPONSOR: ***DRY GULCH IRRIGATION COMPANY***

President: Kelly D. Bird
P.O. Box 604
Bluebell, UT 84007
Phone: (435) 454-3391

LOCATION: The proposed project is located in the High Uintas Wilderness Area of Ashley National Forest, about 36 miles north of Roosevelt in Duchesne County.

PROPOSED PROJECT: The sponsor is requesting assistance to upgrade the outlet works of Fox and Crescent Dams, and make repairs to the dike, spillway, and wet well of Fox.

WATER RIGHTS: Fox: 43-3176, 3824 for 750 acre-feet storage
Crescent: 43-3175 for 216 acre-feet storage

COST ESTIMATE: \$275,000

STAFF COMMENT: Because both Fox and Crescent Dams are currently rated "Moderate Hazard" by the State Engineer's office, they are not eligible for Board dam safety funds.

BOARD OF WATER RESOURCES

Application Summary

Appl. No. ***E-177***

Received: 8/26/05

SPONSOR: ***PROVO RIVER WATER USERS ASSOCIATION***

General Manager: G. Keith Denos
285 West 100 North
Pleasant Grove, UT 84062
Phone: (801) 254-2988

LOCATION: The proposed project extends from the mouth of Provo Canyon to Point of the Mountain in Utah County.

PROPOSED PROJECT: The sponsor is requesting assistance to pipe the 21 mile-long Provo Reservoir (Murdock) Canal sometime between 2008 and 2014.

WATER RIGHTS: The sponsor has various rights on the Provo, Weber, and Duchesne Rivers.

COST ESTIMATE: \$115,000,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. ***E-180***

Received: 8/30/05

SPONSOR: ***TWIN CREEK IRRIGATION COMPANY***

President: Glen P. Peel
P.O. Box 37
Mt. Pleasant, UT 84647
Phone: (435) 462-9208

LOCATION: The proposed project is located just southwest of Mt. Pleasant in Sanpete County.

PROPOSED PROJECT: The sponsor is requesting assistance to install a pressurized irrigation system to serve 600 agricultural acres and 15 residences.

WATER RIGHTS: The sponsor's rights on Twin and Cedar Creeks are described in the Cox Decree.

COST ESTIMATE: \$400,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. ***E-181***

Received: 8/31/05

SPONSOR: ***NORTH CREEK IRRIGATION COMPANY***

President: Rodney Green
P.O. Box 773
Beaver, UT 84713
Phone: (435) 438-5685

LOCATION: The proposed project is located 20 miles northeast of
Beaver City in Beaver County.

PROPOSED PROJECT: The sponsor is requesting assistance to construct a
new concrete chute spillway for Blue Lake Dam to
replace the existing, deteriorated one.

WATER RIGHTS: Storage right 77-28 for 406.34 acre-feet.

COST ESTIMATE: \$310,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. ***E-182***

Received: 9/2/05

SPONSOR: ***UTELAND DITCH COMPANY***

President: Alarik F. Myrin
HC 64 Box 324
Duchesne, UT 84021
Phone: (435) 646-3255

LOCATION: The proposed project is located near Upalco, about 14 miles west of Roosevelt in Duchesne County.

PROPOSED PROJECT: The sponsor is requesting assistance to consolidate two river diversions and two canals into one diversion and one pressurized pipeline system.

WATER RIGHTS: 43-1691, 3055, 3056, 3073, 3084, 3088, 3099, 3106, 3154, and 3206.

COST ESTIMATE: \$912,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. ***E-183***

Received: 9/14/05

SPONSOR: ***PAROWAN SOUTH FIELD, INC.***

Agent: Larry A. Pendleton
75 South Canyon Road
P.O. Box 639
Parowan, UT 84761
Phone: (435) 477-8880

LOCATION: The proposed project is located southwest of Parowan in Iron County.

PROPOSED PROJECT: The sponsor is requesting assistance to replace irrigation ditches with pipelines.

WATER RIGHTS: The sponsor has shares in Parowan Reservoir Company under rights 75-974 and 75-1216.

COST ESTIMATE: \$340,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. ***E-184***

Received: 9/16/05

SPONSOR: ***OTTER CREEK RESERVOIR COMPANY***

President: Ivan Cowley
165 West Center
Venice, UT 84701
Phone: (435) 896-5260

LOCATION: Otter Creek Dam is located about four miles north of Antimony in Piute County.

PROPOSED PROJECT: The sponsor is requesting assistance to install radial gates on the dam's principal spillway so reservoir storage lost to sedimentation can be recovered through a two-foot rise in water level.

WATER RIGHTS: In the name of the board.

COST ESTIMATE: \$240,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **L-555**

Received: 8/11/05

SPONSOR: **CORINNE CITY**

Mayor:

DeVerle Wells

P.O. Box 118

Corinne, UT 84307

Phone: (435) 744-5566

LOCATION: The proposed project is located in Corinne, about six miles northwest of Brigham City in Box Elder County.

PROPOSED PROJECT: The city is requesting assistance to improve its culinary water system by replacing about three miles of old, 2-inch steel distribution pipeline with 6 and 8-inch PVC.

WATER RIGHTS: 29-985, 986, 1146, 2044, and 3702.

COST ESTIMATE: \$360,000

Tour of Red Butte Dam
8/11/05 1:00 p.m.

Ivan Flint
Harold Shirley
George Harmond, Jr.
Blair Francis
John Carman
Warren Peterson
Larry Anderson
Dennis Strong
Eric Millis
Steve Wilde
Randy Staker
Lee Sporleder
Boyd Phillips
Geralee Murdock

David Pitcher – Central Utah Water Conservancy District
Ivan Djambov

Lee Sporleder of Water Resources and Dave Pitcher of the Central Utah Water Conservancy District (district) were at the dam to show and tell about the dam reconstruction.

Dave Pitcher said the district must have a growing place for the endangered June Sucker as part of the Utah Lake System project. Although the June Sucker is native to Utah Lake, the Division of Wildlife Resources put some in the Red Butte Reservoir and found they reproduced there more than any other place. The dam was built to provide water for Fort Douglas. When the fort was decommissioned the Army tried to find someone to take over the responsibility for the dam. Because June Suckers had been placed in the Red Butte Reservoir, and were doing well, it was decided the district would take ownership.

The dam did not meet current dam safety standards and as a condition of the district taking the dam the Army agreed to give the district over \$5 million to bring the dam into compliance. The dam has and will continue to provide flood routing of the stream which is a benefit to downstream homeowners.

Lee Sporleder assisted by Boyd Phillips showed an overview of the dam and drawings portraying how the dam was originally constructed and explained what was being done to bring the dam up to dam safety standards. He said Gerber Construction out of Lehi received the contract for the reconstruction.

The group then went and saw the diversion dam and gaging station and stopped and looked in the tunnel. They then returned to the Red Butte Gardens building for a Briefing Meeting.

Unapproved
BOARD OF WATER RESOURCES
BRIEFING MEETING
August 11, 2005

Red Butte Gardens
400 Wakara Way
Salt Lake City, Utah

BOARD OF WATER RESOURCES
BRIEFING MEETING
8/11/05 2:30 p.m.
Red Butte Gardens

Attendees:

Ivan Flint
Warren Peterson
George Harmond, Jr.
Blair Francis
John Carman
Harold Shirley

D. Larry Anderson
Dennis Strong
Eric Millis
Steve Wilde
Randy Staker
Geralee Murdock

Chair Flint welcomed everyone to the meeting and expressed appreciation for the retreat held in the morning and for the tour of Red Butte Dam.

DISCUSSION OF PROJECTS

Feasibility Report
Town of Mantua

Blair Francis said he went with Dan Aubrey and met with the mayor and city council. Mantua has problems with the existing system. During high run off, sediment comes and it forces the system to rely on its well. The well has sanding problems towards the latter part of the year. Brigham City has helped them out in the past, however Mantua needs to drill a new well to solve its problem. At the present time, the town has a building moratorium because of this situation.

Committal of Funds
St. George and Washington Canal Co.

Steve Wilde said the request for funds for the St. George and Washington Canal Co. are for Phase II. Larry Anderson said the company is hoping to get additional federal dollars to help with the repayment.

Bryner-Ploutz Ditch Co.

George Harmond, Jr. said the company has its internal problems ironed out and is ready for committal of funds.

Centerfield Town

Warren Peterson said there are some citizens who feel the project is more than the town needs at this time and they could possibly be coming to the Board meeting to express their concerns. Mr. Peterson also said these citizens do not understand the change in Drinking Water requirements for fireflows. Steve Wilde said this group of citizens came and met with staff and were very appreciative that someone listened to them. Mr. Peterson said the town will be tying into Mayfield's system, and will need an interlocal agreement.

Resolution

Warren Peterson passed out a copy of a Resolution he had prepared regarding the Southern Nevada Water Authority's proposal to drill wells and pipe water to Las Vegas from the Snake Valley area in Utah. After discussion, Director Anderson said it couldn't be presented at Friday's Board meeting; the Resolution needs to be put on the Agenda for the September Board meeting before it could be adopted.

Meeting adjourned at 3:45 p.m.

Unapproved
MINUTES OF THE
BOARD OF WATER RESOURCES MEETING
August 12, 2005

Department of Natural Resources Building
1594 West North Temple
Salt Lake City, Utah

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SUMMARY OF BOARD ACTIONS

1. The Minutes of the June 9 and 10, 2005 Board meetings were approved as prepared. page 1
2. The Board committed funds to Phase I and II of the St. George and Washington Canal Co. project in the amount of \$6.6 million (75%) to be returned in 30 years at 1% interest the first fifteen years, 2% interest the next eight, and 3% interest the last seven. Annual payments are to start at \$120,000 and increase up to 54% each year to a final payment of about \$550,000. page 1
3. Funds were committed to the Bryner-Ploutz Ditch Co. in the amount of \$116,000 (71%) to be returned with annual payments of \$4,700 at 0% interest over approximately 25 years. page 2
4. The Board committed funds to Centerfield Town in the amount of \$255,000 (10%) to be repaid in 25 years at 1% interest with annual payments ranging from approximately \$4,600 to \$24,200. page 2
5. The Town of Mantua project was authorized in the amount of \$508,000 (90%) to be repaid in 20 years at 4% interest. page 3
6. The City of South Jordan's application was withdrawn from further consideration by the Board. page 3

THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Friday, August 12, 2005, at the Department of Natural Resources Auditorium, 1594 West North Temple, Salt Lake City, Utah. Chair Ivan Flint presided over the 8:30 a.m. meeting.

BOARD MEMBERS PRESENT:

Ivan Flint, Chair
Warren Peterson
George Harmond, Jr.
Paul McPherson
John R. Carman
Blair Francis
Harold Shirley

STAFF MEMBERS PRESENT:

D. Larry Anderson, Director
Dennis Strong, Deputy Director
Eric Millis, Asst. Director
Steve Wilde, Chief, Investigations
Randy Staker, Accountant
Dan Aubrey, Chief Geologist
Tom Cox, Engineer
Shalaine DeBernardi, Engineer
Russell Hadley, Engineer
Val Anderson, Engineer
Geralee Murdock, Administrative Secretary

OTHERS PRESENT:

Robin Thomas, Department of Natural Resources Public Affairs

Jeff Morby, President, St. George and Washington Canal Co.

Darwin Jensen, Mayor, Centerfield City
Gwen Jensen, Centerfield City

Don Wallentine, Councilman, Town of Mantua
Richard Jeppsen, Councilmember, Town of Mantua
Harper Johnson, Public Works, Town of Mantua

MINUTES OF THE
BOARD OF WATER RESOURCES MEETING
August 12, 2005

Chair Ivan Flint welcomed everyone to the meeting.

APPROVAL OF THE MINUTES

Harold Shirley made the motion, seconded by Paul McPherson to approve the minutes of the June 9 and 10 Board meetings as prepared. The Board agreed unanimously.

CHAIR'S REPORT

Mr. Flint expressed appreciation for the tour of the Red Butte Dam and for the retreat held at Red Butte Gardens on Thursday morning. He said it was always good to get a review of the Board's policies and guidelines.

COMMITTAL OF FUNDS

#E-129 St. George and Washington Canal Co.

Chair Flint introduced Jeff Morby. Tom Cox reported the Board authorized a multi-phase project to replace the nearly ten-mile long concrete-lined St. George and Washington Canal with a pipeline. The first 4,800 feet (Phase I) was installed with funds obtained by the company. It is now ready to proceed with Phase II, which is about 5 ½ miles of HDPE pipe and is requesting funds (\$6.6 million) from the Board to help pay for Phases I and II. It hopes to install the pipeline this upcoming construction season.

The \$2.2 million sponsor cost sharing includes a \$1.3 million federal grant for Phase I; the company hopes to receive additional federal grant funds.

Jeff Morby said Ron Thompson was unable to attend the meeting and expressed appreciation to the Board for its consideration. Mr. Morby explained Phase I of the project and what the company hopes to achieve when both phases are constructed. Director Anderson said he and Dennis Strong had visited the area and said the diversion structure is very impressive. He recommended the Board visit the site when it goes to the Water Users Workshop in St. George in March.

Harold Shirley made the motion to commit funds to Phase I and II of the St. George and Washington Canal Co. project in the amount of \$6.6 million (75%) to be returned in 30 years at 1% interest the first fifteen years, 2% interest the next eight, and 3% interest the last seven. Annual payments are to start at \$120,000 and increase up to 5.4% each year to a final payment of

about \$550,000. George Harmond, Jr. seconded the motion and it was unanimously agreed upon by the Board.

#E-164 Bryner-Ploutz Ditch Co.

Russell Hadley reported the company is requesting financial assistance to construct a pumped pressurized irrigation system to serve 67 agricultural acres. George Harmond, Jr. made the motion to commit funds to the Bryner-Ploutz Ditch Co. in the amount of \$116,000 (71%) to be returned with annual payments of \$4,700 at 0% interest over approximately 25 years. Paul McPherson seconded the motion and the Board unanimously agreed.

#L-547 Centerfield Town

Chair Flint introduced Mayor Darwin Jensen and Gwen Jensen. Dan Aubrey reported the Board reauthorized a project for Centerfield Town to improve its culinary water system by constructing a 500,000 gallon storage tank and installing a booster pumping station, seven miles of distribution pipeline, 32 fire hydrants, and 70 service connections. Warren Peterson expressed concerns of some of the residents as to where the well is being drilled. Mayor Jensen said it is being drilled where the geologists and hydrologists recommend would be the best area.

Warren Peterson made the motion to commit funds to Centerfield Town in the amount of \$255,000 (10%) to be repaid in 25 years at 1% interest with annual payments ranging from approximately \$4,600 to \$24,200. John Carman seconded the motion and the Board unanimously agreed.

FEASIBILITY REPORT

#L-553 Town of Mantua

Chair Flint introduced Harper Johnson, Richard Jeppsen, Don Wallentine and Chris Wight. Dan Aubrey reported Mantua currently supplies culinary water to 226 residential, 7 commercial and 3 other connections. The culinary system is supplied by springs and a current well, and an emergency connection to one of Brigham City's springs. The town's spring flow is highly variable, plus during high runoff the spring water contains considerable suspended sediment, forcing the town to turn that source out of the system and rely on its well; the well is pumped to less than its full right due to sanding problems. The town's dependence on unreliable springs and a single well has made it necessary to implement a building moratorium.

Mantua is requesting financial assistance to drill and equip a second culinary well, construct a pump house and install pipeline to connect the new well to the system. Technical assistance is being provided by Hansen and Associates in Brigham City. The total estimated cost of the project is \$565,000.

Based on the Board's water service affordability guidelines, Mantua water users could pay up to \$45.64 monthly for all water. With the proposed project in place the cost per connection per month will be about \$42. The project will provide Mantua an additional dependable water source that will allow it access to flows equal to its rights, and also allow it to lift the building moratorium.

Richard Jeppsen said the town appreciates the Board's consideration. He said revenues for the community are pretty much property taxes. He said about 35-37% of the people in the community are retired and/or single parents, and hoped the Board would consider a lower interest rate than staff's proposed 5%.

After discussion, Blair Francis made the motion to authorize the Town of Mantua project in the amount of \$508,000 (90%), to be repaid in 20 years at 4% interest. Warren Peterson seconded the motion and the Board unanimously agreed.

SPECIAL ITEMS

#E-034 City of South Jordan

The City of South Jordan requested assistance from the Board to install a city-wide pressurized irrigation system. Because federal funds it also applied for were unobtainable in the amount needed to make the project feasible, the city requests its application be withdrawn.

John Carman made the motion to withdraw the City of South Jordan application from further consideration by the Board. Paul McPherson seconded the motion and it was unanimously agreed upon by the Board.

DIRECTOR'S REPORT

Director Anderson handed out a memo and a copy of the Department of Interior's public notice requesting comments on the Southern Nevada Water Authority's (SNWA) proposal to pipe Virgin/Muddy Rivers water to Las Vegas. The SNWA has acquired water rights on both the Muddy and Virgin Rivers they want to develop. Colorado, Wyoming and New Mexico commented on the proposal questioning Nevada's right to develop tributary water in excess of their Compact allocation. Utah declined to comment. Utah has been developing the Virgin River and we believe Nevada has the right to develop its tributaries to the Colorado River just as we do.

A copy of a proposal made by Living Rivers called "One Dam Solution" was included in the Board folder. The Living Rivers' proposal is to remove Lake Powell and have Lake Mead serve as the only major storage reservoir on the Colorado River. Mr. Anderson thought the Board may want to read the Living Rivers' report.

Mr. Anderson also referred the Board to a public notice and a hearing held by the Bureau of Reclamation (BOR) on developing shortage guidelines and coordinated release guidelines for Lake Powell and Lake Mead. A copy of the 7-Basin States' statement read in a hearing in Utah and in Las Vegas is included in the Board folder. He said the Colorado River Seven Basin States have held several meetings in an effort to develop a 7-state consensus alternative for the BOR to consider in their upcoming EIS. A meeting will be held in San Diego at the end of the month to hopefully finalize a joint 7-state letter to send to the BOR indicating the states are working together to try and develop an alternative for the BOR to evaluate as part of the EIS process.

NEXT BOARD MEETING

The next meetings of the Board will be a tour of the Brigham City area on September 29 with a Board meeting the morning of September 30.

Meeting adjourned at 9:55 a.m.

Tour of the West Desert
June 9, 2005

Attendees:

Larry Anderson, Director
Dennis Strong, Deputy Director
Eric Millis, Asst. Director
Steve Wilde, Chief, Investigations
Randy Staker, Accountant
Dan Aubrey, Chief Geologist
Ken Short, Sr. Engineer
Geralee Murdock, Administrative Secretary

Darin Bird, Deputy Director, Department of Natural Resources
Robin Thomas, Public Affairs, Dept. of Natural Resources

Ivan Flint, Chairman, Board of Water Resources
Brad Hancock, Vice-chairman
Paul McPherson
George Harmond, Jr.
Blair Francis
Warren Peterson
John Carman
Harold Shirley

The group met at the Best Western Motor Inn in Delta at 7:30 a.m. and climbed in three vans and headed towards the DMAD (Delta, Melville, Abraham and Deseret) Dam and Reservoir. Jerry Skeem of DMAD boarded the van and informed the Board of the history of the DMAD companies. The group was met by a group of DMAD members who informed them of the necessary repairs to the dam to meet dam safety requirements. Warren Peterson pointed out the location of the sand boils in the canal downstream of the reservoir that is the most imminent concern. Phase II of the dam repair will be an additional spillway to allow for the inflow design flood. Mr. Peterson informed the group of the 1983 flood that washed out the spillway at DMAD and then went on to damage Gunnison Bend Reservoir. Clyde Bunker handed out a card to each person with a trilobite and said people come from all over the world to collect the trilobites. The group boarded the vans and proceeded to Gunnison Bend Reservoir.

Dan Aubrey, division chief geologist explained the geology of the area as they left Gunnison Bend Reservoir and headed toward the small religious community of Eskdale. At Eskdale the group went into the church house where they were met by concerned citizens regarding the Southern Nevada Water Authority (SNWA) proposal to drill wells in White Pine County Nevada. Jerald Anderson explained the local citizen's feelings regarding this proposal and how it would negatively affect the groundwater in the Snake Valley area. Dean Baker, who has acreage both in Nevada and Utah also expressed his feelings, and said these small communities have limited resources compared to the SNWA.

Director Anderson explained the Utah State Engineer has been given the authority to work with Nevada on this proposal. He said Snake Valley is Segment 8, which is the only segment the Utah State Engineer has authorization for. The Utah Geological Society is involved in studying the area. Mr. Anderson said about three weeks ago the county commissioners all met with Governor Huntsman and expressed their concerns on what Nevada wants to do.

After leaving Eskdale the vans drove to Gandy where Mr. Gerald Bates took the group to the Warm Spring area and said the Nevada wells could negatively impact the springs.

The vans drove to Partoun to the West Desert High School where the group was met by principal, Ed Alder who showed the group the high school and then they went into the multi-purpose room and ate sandwiches, chips and cookies brought from Delta. Allen Johnson met the Board at the high school and explained the Board sponsored the Callao Irrigation Co. project. Mr. Johnson rode with the group to Callao where they saw his cattle ranch and home.

The group then went to Fish Springs where they were met by Travis Carpenter who works for the U.S. Fish & Wildlife Service. He said Fish Springs was created in 1929 as a refuge for migratory birds and as a nesting habitat. The vans drove around the refuge and saw the area.

The vans returned to Delta and arrived at approximately 5:15 p.m.

Approved
MINUTES OF THE
BOARD OF WATER RESOURCES
BRIEFING MEETING
June 9, 2005

Waddingham-Peterson Law Office
362 West Main
Delta, Utah

MINUTES OF THE
BOARD OF WATER RESOURCES
BRIEFING MEETING
June 9, 2005

Those Present

Ivan Flint, Chair
Brad Hancock, Vice-chair
Paul McPherson
George Harmond, Jr.
John Carman
Blair Francis
Warren Peterson
Harold Shirley

D. Larry Anderson, Director
Dennis Strong, Deputy Director
Eric Millis, Asst. Director
Steve Wilde, Chief, Investigations
Geralee Murdock, Administrative Secretary

Chair Ivan Flint welcomed everyone to the meeting.

Director Anderson said it was good to tour the Snake Valley and hear the local people's concerns about Nevada drilling wells across the state line, however there is not a lot the state of Utah can do if the Southern Nevada Water Authority wants to drill wells in Nevada. He said a representative from the Southern Nevada Water Authority will attend the Board meeting on Friday to explain what it is proposing. He said Governor Huntsman's position is a decision that will be made on facts.

Warren Peterson suggested a resolution be prepared supporting the local Snake Valley residents' position. Chair Flint asked Warren Peterson to prepare a resolution so it can be approved by Mike Styler and ready for the next Board of Water Resources meeting.

Discussion of Projects

Bryner-Ploutz Ditch Co.

The ditch company is requesting financial assistance to construct a pumped pressurized irrigation system to serve its 67 agricultural acres. Mr. Harmond said it wasn't entirely clear that everyone on the ditch is behind the project. Steve Wilde replied a stockholders vote will have to take place before funds will be committed.

Kamas City

The Board authorized a culinary water system improvement project for Kamas City voting to provide \$1.17 million to be repaid in 18 years at 4.5% interest. Kamas subsequently decided to expand its project by just under \$1 million and approached the Community Impact Board (CIB) June 2 requesting funding to be repaid over more years at a lower interest rate than 4.5%. Brad Hancock, Board of Water Resources member who sits on the CIB, said the CIB tabled the request and asked Kamas City to return to the Board of Water Resources for further consideration. The city will be represented at the Board meeting on Friday.

Centerfield Town

Steve Wilde reported the Board authorized a project for the town in 2003 to improve both its culinary water and secondary irrigation systems; the town is now requesting financial assistance to construct only culinary system improvements, however. Staff determined the project was different enough and should be considered for reauthorization even though the town is requesting the same amount (\$255,000) from the Board.

DMAD Company

The company is requesting financial assistance to upgrade DMAD dam to meet current state dam safety standards. It is proposing the project be constructed in two phases – Phase I will consist of an earth stability berm on the downstream face of the embankment plus a toe drain, and Phase II will consist of improvements to the spillway. Although staff recommends the Board provide a 90% grant, the company will request a 95% grant to match what other Sevier basin dam owners have received.

Other Items

Director Anderson said Blair Francis will be making a motion in the Board meeting to reappoint Charles Holmgren as the Lower Bear River Commissioner and Joseph Larsen as an alternate to the Bear River Commission.

Meeting adjourned at 6:10 p.m.

Approved
MINUTES OF THE
BOARD OF WATER RESOURCES
MEETING
June 10, 2005

Millard County Office
71 South 200 West
Delta, Utah

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SUMMARY OF BOARD ACTIONS

1. The Minutes of the June 9 and 10, 2005 Board meeting were approved as prepared. page 1
2. The Bryner-Ploutz Ditch Co. project was authorized in the amount of \$116,000 (71%) to be returned with annual payments of \$4,700 at 0% interest over approximately 25 years. page 2
3. The Board committed funds in the amount of \$1.879 million (82%) to Kamas City at 3 % interest over 25 years. page 3
4. The Board withdrew the Mower Ditch Co. application from further consideration by the Board. page 3
5. The Centerfield Town project was reauthorized in the amount of \$255,000 (10%) to be repaid in 25 years at 1% interest with payments ranging from approximately \$4,600 to \$24,200. page 4
6. The Board provided a grant to the DMAD Company in the amount of \$2.166 million (95%) for dam safety upgrades. page 4
7. The Board reappointed Charles Holmgren and Joseph Larsen as Lower Bear River Commissioner and Alternate on the Bear River Commission. page 4

THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Friday, June 10, 2005 at the Millard County Office, 71 South 200 West, Delta, Utah. Chair Ivan Flint presided over the 8:30 a.m. meeting.

BOARD MEMBERS PRESENT:

Ivan Flint, Chair
Brad Hancock, Vice-chair
John R. Carman
Blair Francis
Warren Peterson
Harold Shirley
George Harmond, Jr.
Paul McPherson

STAFF MEMBERS PRESENT:

D. Larry Anderson, Director
Dennis Strong, Deputy Director
Eric Millis, Asst. Director
Steve Wilde, Chief, Investigations
Dan Aubrey, Chief, Geologist
Ken Short, Sr. Engineer
Randy Staker, Accountant
Geralee Murdock, Administrative Secretary

OTHERS PRESENT:

John Cooper, Commissioner, Millard County Commission
Dean Baker, Baker Ranches Inc.

Kay Brothers, Deputy General Manager, Southern Nevada Water Authority
Ken Albright, Director SNWA Resources, Southern Nevada Water Authority
Jeff Johnson, Senior Hydrologist, Southern Nevada Water Authority
Marcus Faust, Attorney, SNWA
R. Michael Turnipseed, President, Turnipseed Engineering Ltd.

Steven Giacoletto, President, Bryner-Ploutz Ditch Co.
Lyle Jones, Bryner-Ploutz Ditch Co.

OTHERS PRESENT CONT'D.

Lewis Marchant, Mayor, Kamas City
Scott Kettle, Project Engineer, Horrocks Engineers

Darwin Jensen, Mayor, Centerfield Town
John Iverson, Sunrise Engineering

Lon Jackson, President, DMAD Company
Blaine Ipson, Water Manager, DMAD Company
Clyde Bunker, President, Melville Irrigation Co.
Dallas J. Anderson, Vice-Pres. Deseret Irrigation Co.
Craig Bagley, Water Resources Engineer, Bowen, Collins & Associates
Phil Gerhart, President, Gerhart Consultants, Inc.

MINUTES
BOARD OF WATER RESOURCES MEETING
June 10, 2005

Chair Flint welcomed everyone to the meeting.

APPROVAL OF MINUTES

Warren Peterson made the motion, seconded by George Harmond, Jr. to approve the minutes of the April 29, 2005 meetings as prepared. The Board agreed unanimously.

CHAIR'S REPORT

Chair Flint thanked the DMAD Company for its hospitality during the tour and also for providing dinner for the Board and staff on Thursday, June 9. He also expressed appreciation to Warren Peterson and Dennis Strong for arranging the tour of the Snake Valley area.

Chair Flint said it would be an honor to serve the Board as chair with Brad Hancock as the vice-chair. He then presented out-going chair, Harold Shirley, with his name-engraved gavel and said what a great job he did.

SOUTHERN NEVADA WATER AUTHORITY PIPELINE PROPOSAL

Chair Flint asked Kay Brothers to introduce the group from the Southern Nevada Water Authority (SNWA). Ms. Brothers introduced Ken Albright, Director of Resources; Jeff Johnson Sr. Hydrologist; Mike Turnipseed, former Nevada State Engineer; and Marcus Faust.

Ken Albright gave the history of the SNWA and an overview of the SNWA proposal to drill wells in east central Nevada and pipe the water to Las Vegas. Marcus Faust discussed the Lincoln County Lands Act and stated the bill does not impact White Pine County or Snake Valley. It only grants rights-of-way in Lincoln County and in Clark County. As a component of this legislation a study will be conducted by the USGS, Desert Research Institute, and the Utah State Engineer to investigate groundwater quantity and quality and characteristics in the aquifer. Jeff Johnson said the Nevada State Engineer's Office is cooperating with the SNWA. Kay Brothers concluded by saying the SNWA is committed to protecting the environment and resources in Nevada and in Utah. She said the Colorado River Basin States told Nevada they would help them out on a temporary basis but Nevada has to develop its own instate resources. This proposal is one way Nevada can develop its resources.

Director Anderson said in meetings yesterday with concerned citizens in the Snake Valley area they questioned whether there was enough groundwater in Snake Valley to meet both the local needs and those of the SNWA. He asked how Ms. Brothers was going to address

this to satisfy these local folks. She said that if the water level in local wells go down the SNWA would pay the cost to deepen the wells and pay any additional cost to pump them. SNWA would mitigate the impacts; it would insure existing water rights would not be impacted. She said the groundwater model that is being created as part of the EIS, is a tool that will give an indication of where to extract the water. Warren Peterson expressed several concerns of the Snake Valley folks. Ms. Brothers tried to reassure him the impact should be minimal, and that the SNWA would mitigate the impacts.

Chair Flint thanked the group for their presentation. Director Anderson also expressed appreciation.

FEASIBILITY REPORTS

#E-164 Bryner-Ploutz Ditch Co.

Chair Flint introduced Steven Giacoletto and Lyle Jones. Steve Wilde reported the company provides irrigation water to 67 agricultural acres and 30 residences in Helper. The irrigation operation is inefficient and requires considerable management. The company is requesting financial assistance to construct a pumped pressurized irrigation system. Technical assistance is being provided by the Natural Resources Conservation Service in Price.

The estimated cost of the project is \$164,000. The project will develop approximately 80 acre-feet annually through increased irrigation efficiency, reduce system maintenance time and expense, and reduce salt loading of the Colorado River system by about 300 tons annually.

Mr. Giacoletto said the company's irrigation system has been inefficient for years. Lyle Jones said in the future the company hopes to get Helper City involved so it would make the system more complete.

George Harmond, Jr. made the motion to authorize the Bryner-Ploutz Ditch Co. project in the amount of \$116,000 (71%) to be returned with annual payments of \$4,700 at 0% interest over approximately 25 years. John Carman seconded the motion and it was unanimously agreed upon by the Board.

COMMITTAL OF FUNDS

#L550 Kamas City

Chair Flint introduced Mayor Lewis Marchant and Scott Kettle of Horrocks Engineers. Steve Wilde reported the Board authorized \$1.17 million for the culinary water system improvement project in January, to be repaid in 18 years at 4.5% interest. On June 2, Kamas met with the Community Impact Board (CIB) to request better repayment terms for an expanded project to cost \$928,000 more. The CIB put the project on its "Pending" list and recommended Kamas return to the Board for further consideration.

Mayor Marchant said after the city met with the Board an annexation was approved, and therefore an expanded project was necessary. The city consulted with a financial consultant from Zions Bank who said because of the expanded project, the city could not afford the interest rate (4.5%) that the Board had authorized, and that is when Kamas decided to present its project to the CIB.

Brad Hancock, who represents the Board of Water Resources on the CIB, said that although the expanded project is a good thing with Kamas looking into the future, the city's ability to pay would be beyond the Board's affordability guideline. He asked the city if it would consider its \$1.879 million loan request from the Board, for 25 years at 3% interest. After the mayor said he thought the city could do it, Mr. Hancock made the motion to commit funds at \$1.879 million (82%) to be repaid at 3% interest over 25 years. Warren Peterson seconded the motion and the Board agreed unanimously.

SPECIAL ITEMS

#E-133 Mower Ditch Co.

The Mower Ditch Company requested assistance to replace about a mile of irrigation ditch with 21-inch PVC pipeline. Because its majority stockholder decided against incurring any debt to construct the project, the company requested its application be withdrawn. Warren Peterson made the motion the Mower Ditch Co. project be withdrawn from further consideration by the Board. Blair Francis seconded the motion and it was unanimously agreed upon by the Board.

#L-547 Centerfield Town

Chair Flint introduced Mayor Darwin Jensen and John Iverson from Sunrise Engineering. Steve Wilde reported the Board authorized a project in the fall of 2003 which included culinary/secondary improvements for Centerfield, however the culinary/secondary project will now not be built in its entirety because test wells drilled to locate a culinary source found water that exceeded the maximum contaminant level in nitrate and also because of cost factors. The town is now requesting financial assistance to construct only culinary system improvements, which will be expanded (from authorized scope) to regionalize the system by tying Mayfield Town into it. Technical assistance is being provided by Sunrise Engineering in Fillmore. The estimated cost of the project remains at \$2.648 million, and the cost sharing is the same as previously authorized.

Mayor Jensen thanked the Board for reconsidering its application and explained the town's problems. Director Anderson asked Dan Aubrey to explain the nitrate problem. Mr. Aubrey said nitrates are one of the few contaminants that occur in water that is primarily not due to a natural source. He said it was puzzling as the wells that are contaminated are in areas where

the source cannot be pinpointed. He also said the wells are so widely spaced on opposite sides of the valley that it will be difficult to find a place to drill a well that is not impacted by the nitrates.

Warren Peterson made the motion, seconded by George Harmond, Jr. to reauthorize the Centerfield Town project in the amount of \$255,000 (10%) to be repaid in 25 years at 1% interest with payments ranging from approximately \$4,600 to \$24,200. The Board unanimously agreed.

DAM SAFETY CONSTRUCTION

#C-031 DMAD Company

Chair Flint introduced Lon Jackson, Phil Gerhart, Clyde Bunker, Dallas Anderson, Craig Bagley and Blaine Ipson. Warren Peterson showed a video of the 1983 flood that washed out the DMAD dam's spillway. Mr. Peterson said he needed to declare a conflict of interest and would refrain from participation as a Board member.

Craig Bagley, engineer from Bowen, Collins and Associates, informed the Board the company is requesting financial assistance to upgrade the dam to meet current state dam safety standards. The upgrade project will be constructed in two phases. Phase I will consist of an earth stability berm on the downstream face of the embankment plus a toe drain. Phase II will consist of improvements to the spillway. Dennis Strong said although dam safety projects are typically not done in phases, the seepage problem (sand boils) needs to be taken care of; the spillway can probably wait for a while.

Clyde Bunker requested the Board provide a 95% grant instead of staff's recommended 90%. He said all the Sevier River Basin dam safety projects have received 95% and DMAD would also like to receive 95%.

Harold Shirley made the motion to provide a grant in the amount of \$2.166 million (95%) for dam safety upgrades to the DMAD Company. Paul McPherson seconded the motion and the Board agreed unanimously. Warren Peterson abstained from voting.

DIRECTOR'S REPORT

Director Anderson said the Board of Water Resources has always appointed or reappointed commissioners to the Bear River Commission. Charles Holmgren (commissioner) and Joseph Larsen (alternate) need to be reappointed. The Governor's office has agreed to their reappointment.

Blair Francis made the motion to reappoint Charles Holmgren as Commissioner on the Lower Bear River and Joseph Larsen as Alternate on the Lower Bear River. George Harmond, Jr. seconded the motion and it was unanimously agreed upon by the Board.

Eric Millis distributed copies of the Water Reuse Report to the Board Members and said staff would be making a presentation to the Legislators on the Water Study Task Force Committee next week.

NEXT BOARD MEETING

The next Board meeting will be held in Salt Lake City at the Department of Natural Resources Auditorium on August 12. On the morning of August 11 a retreat will be held followed by a tour of Red Butte Dam and a Briefing Meeting in the afternoon.

